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**STATE OF HAWAII**  
**PUBLIC UTILITIES COMMISSION**  
**DEPARTMENT OF BUDGET AND FINANCE**  
465 S. KING STREET, #103  
HONOLULU, HAWAII 96813

Telephone: (808) 586-2020  
Facsimile: (808) 586-2068

e-mail: Hawaii.PUC@hawaii.gov

April 16, 2009

Peter A. Nicholas  
Wai'ola O Moloka'i, Inc.  
c/o Molokai Properties Limited  
745 Fort Street Mall, Suite 600  
Honolulu, Hawaii 96813

Catherine P. Awakuni, Executive Director  
Department Of Commerce and Consumer Affairs  
Division of Consumer Advocacy  
P.O. Box 541  
Honolulu, Hawaii 96809

Re: Docket No. 2009-0049 – In re Application of Wai'ola O Moloka'i, Inc. for Review and Approval of Rate Increases; Revised Rate Schedules; and Revised Rules.

Dear Mr. Nicholas and Ms. Awakuni:

The attached comments concerning the above-referenced docket were transmitted to the Hawaii Public Utilities Commission via electronic-mail from the following individuals:

- |                            |                                   |
|----------------------------|-----------------------------------|
| (1) Mr. Degray Vanderbilt; | (4) Mr. David Hubka;              |
| (2) Mr. Mark Jacobs;       | (5) Dr. Norman Rizk; and          |
| (3) Ms. Diane Takayama;    | (6) Mr. and Mrs. Stanley Casacio. |

These documents are being forwarded to you pursuant to Hawaii Administrative Rules § 6-61-29(b).

Sincerely,

A handwritten signature in black ink, appearing to read "J. Sook Kim".

J. Sook Kim  
Commission Counsel

JSK:sl

Attachments

c: Morihara Lau & Fong LLP



pauhanamolokai@yahoo.com

03/23/2009 10:42 AM

Please respond to  
pauhanamolokai@yahoo.com

To Kaiulani.K.Shinsato@hawaii.gov

cc Jane Lovell <jane.lovell@co.maui.hi.us>, Margery Bronster  
<mbronster@bhhawaii.net>, Catherine Awakuni  
<catherine.p.awakuni@dcca.hawaii.gov>, Peter Nicholas  
<peter@molokairanch.com>

bcc

Subject Copies of documents: Dockets 2009-49 ; 2009-48 ;  
2008-0115 all associated with private utilities controlled by  
Molokai Properties Limited

Aloha Ms. Shinsato:

There seems to be a problems downloading several important documents from the PUC website.

Please email me a copy of the following:

Docket 2009-49: Wai'ola O Moloka'i application for review and approval of rate increase.

Docket 2009-48: Molokai Public Utilities, Inc application for review and approval of rate increase.

Docket 2008-115:

1. Stipulation for Protective Order filed February 24, 2009
  2. Motion to Extend Order approving Temporary Rate Relief filed October 29, 2009
- the above Document No. 2 under Docket 2008-115, the message comes up that the document is not available.

The above documents cannot be downloaded either because the program crashes when the command save is entered or as in the case with Document No. 2 above under Docket 2008-115, a message came up that the document could not be located.

I was able downloaded the County of Maui's response to the Utilities request for an extension of the temporary rate increase filed on November 6, 2008, and the PUC's Order approving the extension of Temporary Rate Relief and Request for Extension to file General Rate Case Application filed February 24, 2009.

I was unable to locate any response by the Consumer Advocate, on behalf of the rate payers (many who are Molokai low-income families), to the Motion to Extend Order approving Temporary Rate Relief filed October 29, 2009 by the Utilities.

Is the Consumer Advocate required by law to file a response to the aforementioned motion? If the Consumer Advocate filed a motion, please email me a copy along with the other documents.

The public on Molokai needs to prepare for the upcoming public hearing on the significant rate increases being proposed by the utilities controlled by Molokai Properties Limited (MPL) who has abandoned its Molokai operations, MPL's off-shore parent company GuocoLeisure Limited, and MPL's off-shore ultimate parent company Guoco Group, all of which are controlled by Malaysian multi-billionaire Quek Leng Chan.

Some on Molokai were under the impression that the public hearing was

tentatively scheduled to be sometime in April, 2009. This was before the Utilities requested and the PUC approved a two-week extension for the Utilities to file their respective rate increase applications.

Is there a tentative date the PUC has in mind for the public hearing.

How much public hearing notice is required?

Will the public hearing be on Molokai?

Will the hearing be advertised in the local Molokai paper?

Will a testifier be able to provide separate testimonies on each docket?

Will the Commission impose a time limit of the individual testimonies for each docket?

LOCATION OF THE PUBLIC HEARING: Most likely there will be more people attending the upcoming rate increase public hearing that attended the previous one held at the Maunaloa School.

As you recall, many people could not even fit into the public hearing room at Maunaloa School. Hopefully, the Commission will hold the hearing in a room that is sufficient to allow everyone who is attending to sit in and be part of the hearing. It seems to be only right to consider a bigger meeting room for the public benefit.

The public community center at Hoolehua would be an ideal spot for the hearing. This location has handled large public hearing crowds before, allowing everyone who attended to be part of the process. The last major public hearing at this location was a 2-day hearing sponsored by the State Land Use Commission.

The location is convenient to both the west end rate payers (Maunaloa) and the central Molokai (Kualapuu).

#### CONFIDENTIAL DOCUMENTS:

The public can be a valuable asset to the Commission based on the local-knowledge it maintains which the Commissioners or the PUC staff do not have exposure to. Such knowledge, if utilized by the staff and Commissioners, can lead to more informed decisions being made by the Commission. This is especially true when it come to Molokai.

It was my understanding that the Commission was going to consider whether or not all of the documents that Mr. Nicholas has filed "as confidential" are indeed "confidential" .

The key documents the public would like to have access to is the "monthly operational reports" that the utilities are being required to file. It is hard to understand how the information contained in these documents should qualify "as confidential", especially in light of a legislative policy that Office of Information Practice's Director Paul Tsukiyama had the following comment on (see OIP website): "the legislative declaration of policy and intent made it clear that in a democracy, the people are vested with the ultimate decision-making power, and that government agencies exist to aid the people in the formation and conduct of public policy and government efficiency. This past year saw some legislative changes which affected the Sunshine Law, and which illustrated the evolving legal process to achieve this workable balance.

I feel confident that if you asked the other parties to the docket, namely the County of Maui and the Consumer Advocate, I doubt they would have any objection to making the monthly utility operating reports public. Its hard to imagine what objection Mr. Nicholas would have. If account individual utility customer names are included in the reports, these names can be deleted by marking them out with a magic marker.

Please let me know if the monthly utility reports will be made available.

The Commission has had to filter through less than truthful information and hollow threats advanced by Peter Nicholas, who manages the utility companies, as well as, being the senior officer for Molokai Properties Limited (MPL) and an member of GuocoLeisure Limited's senior management team. This is an undisputed fact.

It is more than likely that Mr. Nicholas, or his representatives, will continue their old habits and compromise the truth in information they provide to the Commission. Just a few weeks ago, Mr. Nicholas provided less-than-truthful testimony to the state legislature in an attempt to defeat certain legislation that was unfavorable to the respective agendas of MPL, GuocoLeisure and/or Guoco Group.

If the Commission wishes me to provide a copy of Mr. Nicholas's less-than-truthful testimony to our state legislators, please let me know and I will provide the document.

Commissioner Kondo used to head up the state's OIP office and knows the relevance and importance an open process that allows the public to participate "on a level playing field" with the likes of large off-shore-owned corporate powers such as Molokai Properties Limited (MPL).

Hopefully, the Commission will not allow MPL and/or Mr. Nicholas to continue enjoying (and taking advantage of) unfettered protection under the Confidentiality Veil provided by the commission rules, especially in light of his propensity to manipulate the the truth and compromise the spirit of the PUC proceeding by providing as few documents as he is able slide by with (i.e. Mr. Nicholas's lack of response to County's reasonable document requests).

Mr. Nicholas is clearly abusing the good intentions of this PUC rule provision.

What decision, if any, has been made by the Commission regarding the confidentiality of all or a portion of the documents filed by the utilities?

Thank you for your assistance in providing the above requested documents and information.

If you have any questions on the above, please call me.

Please forward this email to the PUC Commissioners. It is not being filed as a confidential document.

Best regards,

DeGray Vanderbilt  
Box 1348  
Kaunakakai, Molokai, Hawaii 96768  
(808) 283-8171



alohamrj@aloha.net  
03/31/2009 05:21 AM

To Hawaii.PUC@Hawaii.gov

cc

bcc

Subject MPL RATE INCREASE

Aloha!

I must write in response to the Molokai Ranch's (MPL) request for yet another massive water rate increase. The PUC last year quickly pushed through a 178% increase, effectively doing the Ranch's dirty work for them. Now, obviously feeling emboldened, the Ranch seeks more, and have taken it upon themselves to punish the west end of Molokai for not supporting their La'au development. I know of no other ruling body in our country, be it political or commercial, that has inflicted such a "punishment" on their dependents. The Ranch destroyed their paperwork last year and has been unwilling to supply any documentation for their requests, either past or present. I implore you to carefully examine what has thus far transpired, and hope you will take it upon yourselves to seek out what the Ranch's real motives are. I, as a west ender, cannot help but shout out "HELP!" We look forward to working with you to bring a fair resolution to this issue- MPL's financial and retributinal desires should not be again placed on the already suffering pocketbooks of the people of Molokai.

Sincerely,  
Mark Jacobs  
P.O. Box 274  
Maunaloa, HI 96770



"Diane Takayama "  
<dtakayama@roadrunner.com>  
m>

04/04/2009 07:59 AM

To <hawaii.puc@hawaii.gov>

cc

bcc

Subject FW: Re: Rate Increase for West End Molokai water

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**From:** Diane Takayama [mailto:dtakayama@roadrunner.com]

**Sent:** Saturday, April 04, 2009 10:57 AM

**To:** 'consumeradvocate@dcca.hawaii.gov'

**Subject:** Re: Rate Increase for West End Molokai water

*To whom it may concern.*

***EXTORTION!***

*We recently received our property tax appraisal for 2009. It is obvious the people on Maui are basically living on the moon, as far as the residents on the West End of Molokai are concerned. With all this PUC, MPL garbage going on, who would be interested in living there if they didn't already. The West End residents would have a hard time giving their property away at this point! Water, Property Taxes. Lose Lose situation and it just goes on and on.*

*Regards,*

*Diane Takayama*



dave\_hubka@yahoo.com

04/11/2009 12:20 PM

Please respond to  
dave\_hubka@yahoo.com

To: Hawaii.PUC@hawaii.gov, consumeradvocate@dcca.hawaii.gov

cc: WMA Office <wmaoffice@comcast.net>

bcc:

Subject: Molokai Water Rate Increase

History: This message has been forwarded

Re: Docket #2009-0048 #2009-0049

To Whom It May Concern,

I am writing as both a concerned individual resident of Molokai and as the President of the Board of Directors of the condominium property, Paniolo Hale, on the West End of Molokai. We are currently customers of the Molokai Public Utilities (MPU) and Mosco waste water treatment facility. As such, I am writing in representation of 75 individual condominium owners/residents who would be affected by this increase. We are not activists or extremists. We are simply ordinary residents of the State of Hawaii who believe that we are entitled to certain vital services, one of which is affordable drinking, and fire safety water.

The rate increases being proposed will exact an extreme hardship on us. We strongly advise that efforts be made to look behind the scenes being presented in the documentation and even the audited financial disclosures by the Molokai Ranch Ltd.

There has been general neglect of this water system for years. Also with declining usage due to the Ranch's own decision to close their own properties of golf course and hotel facilities, which represented a large usage of water, I can assume that the fixed operational costs now will fall on the smaller total volume usage of the condominiums and residences. In other words the same cost structure is now to be spread over a very much reduced demand in volume of water. This is a basic problem with rates based on volume usage. In normal situations, the usage varies little and the fixed delivery/upkeep cost basis is relatively stable. In this case, there was a sudden and dramatic change in usage due to the sudden departure/closure of the Ranch operations, while the fixed cost basis did not change to the extreme detriment of the remaining affected individuals on the island.

While I understand that Maui County ownership and management of the system was rejected so far and is probably not possible as an option soon due to the Ranch's neglect to keep the system up to County standards and their unwillingness to settle the Well #17 and distribution legal issues, were we to be incorporated into the overall Maui County water system, our rates would not change so significantly as we would join a very large stable water system and have the opportunity to be represented fairly as ratepayers along with all the other Maui County water users.

Given that option is not likely soon or perhaps never, there must be a decision now that would at the least, uphold the PUC rate increase limits or, better still, protect us and all the other affected Molokai ratepayers completely from this kind of extortion based on long term mismanagement, possible wrongdoing, and apparent unwillingness on the part of the requesting companies to be responsible to the citizens of Molokai either by bringing the system to salable or County standards or standing behind their legal requirements.

This is a company of demonstrated poor character. They have vandalized and destroyed their own property on this island, been arrogant and stubbornly disrespectful to both the County and the State, been unresponsive to repeated legal requirements and directives and clearly demonstrates that they feel they are above the law or can circumvent the law to their own purposes. Do NOT let them get away with this.

Please do NOT approve these extortionary and extreme requests. I for one, would prefer to live with porta-potties and tanker trucks than to pay these extortionary rates. This company cannot be allowed to hold the State, the County and the citizens of Molokai hostage to their threats and extortionary demands. It might be a good thing to just allow the water to be shut off as the negative national media attention to Hawaii, the County of Maui and the companies involved would be extreme.

Thank you for your service in these matters.

David Hubka  
100 Lio Place  
Maunaloa, HI 96770  
dave\_hubka@yahoo.com



Norman Rizk  
<nrizk@stanford.edu>  
04/12/2009 12:37 PM

To Hawaii.PUC@hawaii.gov  
cc  
bcc  
Subject Molokai water rates

As a person who owns a home on the West End of Molokai, I want to express my extreme opposition to the proposed raising of water rates once again on the West End of Molokai. The rates there has already **TRIPLED** in the last two years and now the Molokai Ranch LTD wants to **raise it again by 70%, after just doubling it 8 months ago**. Any set of expenses they send you will include many items that don't belong on the water utility operating statement. **A full investigative audit**, not a simple review, would be required to assess their application. In addition, to those of us on the West End with some familiarity with their operation, it is clear that the Molokai Ranch is not running an efficient operation at all. Clearly the Molokai Ranch has a vested interest in overstating the expense of the operation and has no incentive to run the utility efficiently if you keep letting them raise the rates. Your mandate is to provide oversight, not just consent. We the citizens have already been victimized sufficiently by the lack of versight during the last two years.

Furthermore, since the Molokai Ranch Ltd has repeatedly said they don't want to run the municipal water supply and are clearly making exorbitant demands as part of this, I think the PUC should insist on Maui County taking over the water system. In addition, infrastructure funds for water are now available, particularly for proposals with a "green component", from the Obama stimulus package- and these could be applied by Maui County to re-develop the water system on Molokai.

For information on the clean water safe water drinking fund:

<http://www.epa.gov/safewater/dwsrf/index.html#Contact>

and

<http://www.epa.gov/water/eparecovery/faq.html#1>

The state also has failed to resolve the problem, even though initially Governor Lingle did try to get Maui Co to help. Key state officials that should help, rather than shrug their shoulders, include:

Hawaii Department of Health Stuart Yamada (808) 586-4258 (808) 586-4351

[Stuart.yamada@doh.hawaii.gov](mailto:Stuart.yamada@doh.hawaii.gov)

Safe Drinking Water Branch Michael Miyahira (808) 586-4258 (808) 586-4351

[Michael.Miyahira@doh.hawaii.gov](mailto:Michael.Miyahira@doh.hawaii.gov)

Wastewater Branch Kevin Yoshioka (808) 586-4294 (808) 586-4300

[Kevin.yoshioka@doh.hawaii.gov](mailto:Kevin.yoshioka@doh.hawaii.gov)

**It is time the PUC started representing the citizens of Molokai, rather than just expediently letting the Molokai Ranch raise rates for their own purposes. This is really unacceptable and represents the PUC failing to live up to its charge and mandate of providing protection**



for citizens and oversight over municipal water operations. I urge the PUC to convene the responsible parties and come to a resolution of this problem by the County Of Maui taking over the water, with assistance from federal funds for water infrastructure, and with logistical support from the State.

Yours truly,

Norman W. Rizk, MD

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Norman W. Rizk, MD  
Guggenhime Professor of Medicine  
Sr. Assoc. Dean for Clinical Affairs  
Alway Building, Room M121  
300 Pasteur Drive  
Stanford, CA 94305-5119  
650-724-1798  
650-725-7368 (fax)  
nrizk@stanford.edu



"Stanley Casacio "  
<scasacio@prodigy.net>

04/13/2009 07:02 AM

Please respond to  
"Stanley Casacio"  
<scasacio@prodigy.net>

To <Hawaii.PUC@hawaii.gov>

cc

bcc

Subject REf: Moloka'i Ranch

To Members of Hawaii PUC,

I know that any rate increase is usually not well received by the public at large. However; the rate increase requested by the Moloka'i Ranch is not a normal rate increase. In the 6 years we have lived on Moloka'i, we have found the Ranch to have been run by people who manage poorly at best and are down right dishonest at worst. It is clear that to the absentee owners of the Ranch this is pay back time for our Island fighting them from wanting to develop virgin areas of Moloka'i without regards to it's people or the land.

The Ranch had and is consistently not disclosing their true intentions. I believe that a full audit and full disclosure of the Ranch and it's books is the only way to determine if the Ranch is entitled to an increase for water. A true audit may show that all that is needed is new management and a new approach to management of the water system.

I am not aware that the Ranch had never testified during its development zoning that there was a problem with the cost of water to Maunaloa and their proposed 200 homes. They said there was plenty of water at lower rates. What has happened in a year and a half to warrant a unbelievable increase. The only conclusion is the Ranch' desire to destroy Moloka'i for taking on the Ranch's poor development planing.

Again we call for a complete and full audit not only of books but also of the Ranch's management. How can there be a shortage of water now with the Ranch closed, the golf course closed. It would seem that the Ranch has created their own problem and now wants a bailout.

Stanley and Diane Casacio  
196 Pohakuloa Road  
Maunaloa, Hi 96770